



**THOMAS P. DiNAPOLI**  
STATE COMPTROLLER

STATE OF NEW YORK  
**OFFICE OF THE STATE COMPTROLLER**  
110 STATE STREET  
ALBANY, NEW YORK 12236

**ROBIN L. LOIS, CPA**  
DEPUTY COMPTROLLER  
DIVISION OF LOCAL GOVERNMENT  
AND SCHOOL ACCOUNTABILITY  
Tel: (518) 474-4037 Fax: (518) 486-6479

May 10, 2024

Daniel Creighton, City Manager  
Members of the City Council  
City of Long Beach  
City Hall  
1 West Chester Street  
Long Beach, NY 11561

Report Number: B24-7-4

Dear Mr. Creighton and Members of the City Council:

Chapter 3 of the Laws of 2014 authorizes the City of Long Beach (City) to issue debt not to exceed \$12 million to liquidate the accumulated deficit in the City's general fund, water fund, sewer fund and risk management fund as of June 30, 2012. Local Finance Law Section 10.10 requires municipalities that have been authorized to issue obligations to fund operating deficits to submit to the State Comptroller each year, starting with the fiscal year during which the municipality is authorized to issue the deficit obligations, and for each subsequent fiscal year during which the deficit obligations are outstanding, their proposed budget for the next fiscal year.

The proposed budget must be submitted no later than 30 days before the date scheduled for the governing board's vote on the adoption of the final budget or the last date on which the budget may be finally adopted, whichever is earlier. The State Comptroller must examine the proposed budget and make recommendations as deemed appropriate. Recommendations, if any, are made after the examination of the City's revenue and expenditure estimates.

The Council, no later than five days prior to the adoption of the budget, must review all recommendations made by the State Comptroller and may adjust its proposed budget consistent with those recommendations contained in this report. All recommendations that the Council rejects must be explained in writing to our Office. The City may not issue bonds unless and until adjustments to the proposed budget consistent with any recommendations of the State Comptroller are made, or any recommendations that are rejected have been explained in writing to the State Comptroller.

Our Office has recently completed a review of the City's proposed budget for the 2024-25 fiscal year. The objective of the review was to provide an independent evaluation of the proposed budget. Our review addressed the following question related to the City's budget for the upcoming fiscal year:

- Are the significant revenue and expenditure projections in the City's proposed budget reasonable?

Based on the results of our review, except for the matter described in this letter, we found that the significant revenue and expenditure projections in the proposed budget are reasonable.

To accomplish our objectives in this review, we requested your proposed budget, salary schedules, debt payment schedules and other pertinent information. We identified and examined significant estimated revenues and expenditures for reasonableness with emphasis on significant and/or unrealistic increases or decreases. We analyzed, verified and/or corroborated trend data and estimates, where appropriate. We identified any significant new or unusually high revenue or expenditure estimates, made appropriate inquiries and reviewed supporting documentation to determine the nature of the items and to assess whether the estimates were realistic and reasonable. We also evaluated the amount of fund balance appropriated in the proposed budget to be used as a financing source and determined if the amount of fund balance was available and sufficient for that purpose.

The scope of our review does not constitute an audit under generally accepted government auditing standards. We do not offer comments or make specific recommendations on public policy decisions, such as the type and level of services under consideration to be provided.

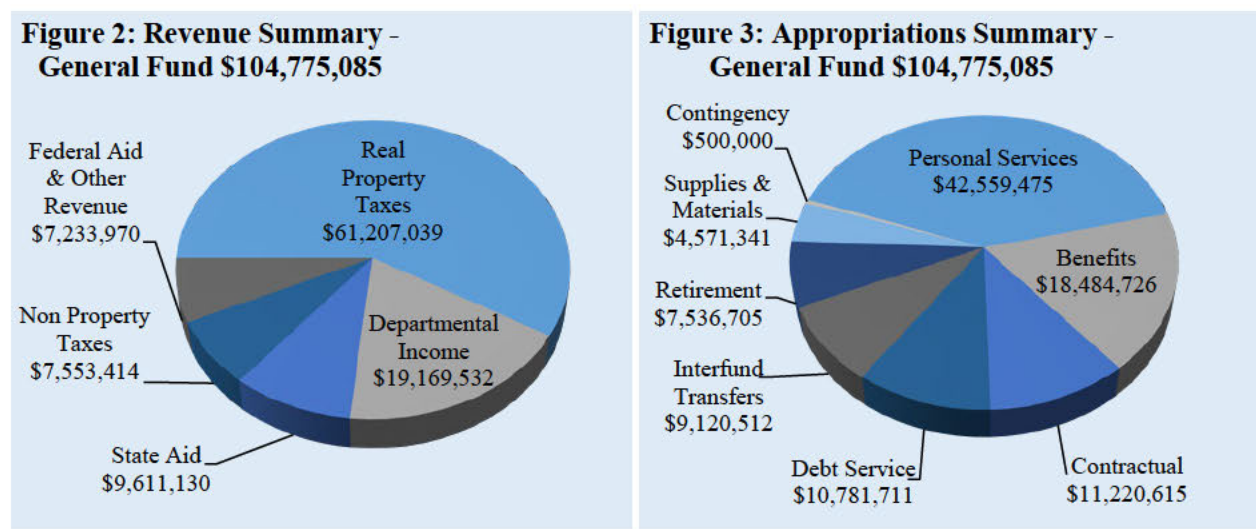
### Proposed Budget Submission and Contents

The 2024-25 fiscal year proposed budget package we reviewed (summarized in Figures 1, 2 and 3) consisted of the following:

- 2024-25 City Manager’s Budget Message
- 2024-25 Proposed Budget
- Supplementary Information

Figure 1: 2024-25 Proposed Budget				
Fund	Appropriations and Provisions for Other Uses	Financing Sources		
		Estimated Revenue	Appropriated Fund Balance	Real Property Taxes
General	\$104,775,085	\$43,568,046	\$0	\$61,207,039 <sup>a</sup>
Water	\$6,333,700	\$6,333,700	\$0	\$0
Sewer	\$6,654,424	\$5,757,000	\$897,424	\$0

a) Includes real property taxes, LIPA PILOTs, assessments, and pro-rata portion.



## **Water and Sewer Funds**

The proposed budget includes revenue estimates for metered water sales of \$5.575 million and sewer rent estimates of \$5 million. These estimates include amounts that are expected to be realized from a 25 percent increase in metered water rates and a decrease in sewer rents from 130 to 90 percent of water usage, which the City Council has not yet authorized. Unless the rate changes are authorized and made in a timely manner, water and sewer fund budgets should be modified accordingly.

## **Tax Cap Compliance**

General Municipal Law Section 3-c establishes a tax levy limit on local governments. The law generally precludes local governments from adopting a budget with a tax levy that exceeds the prior year tax levy by more than 2 percent or the rate of inflation, whichever is less, unless the governing board adopts a local law to override the tax levy limitation.

The City's proposed budget includes a tax levy of \$60.1 million, which complies with the legal limit. In adopting the 2024-25 budget, the Council should be mindful of the legal requirement to maintain the tax levy increase within the tax levy limit as permitted by law, unless it properly overrides the tax levy limit prior to adopting the budget.

We hope that this information is useful as you adopt the upcoming budget for the City. If you have any questions on the scope of our work, please feel free to contact Ira McCracken, Chief of Municipal Audits of our Hauppauge office, at (631) 952-6534.

Sincerely,

Deputy Comptroller

cc: Inna Reznik, City Comptroller  
Brendan Finn, City Council President  
Chris Fiumara, City Council Vice President  
John Bendo, City Council  
Roy Lester, City Council  
Michael Reinhart, City Council  
David W. Fraser, City Clerk  
Hon. Elizabeth Krueger, Chair, Senate Finance Committee  
Hon. Helene E. Weinstein, Chair, Assembly Ways and Means Committee  
Hon. Ari Brown, NYS Assembly  
Hon. Patricia Canzoneri-Fitzpatrick, NYS Senate  
Hon. Andrea Stewart-Cousins, NYS Senate Majority Leader  
Hon. Carl E. Heastie, NYS Assembly Speaker  
Blake Washington, Director, Division of the Budget  
Ira McCracken, Chief of Municipal Audits, Hauppauge Regional Office